

**January 25, 2012**

**Senate Bill 324 Testimony before the Senate Committee on Judiciary, Utilities,  
Commerce, and Government Operations**

**Karl Frantz**

**Village Administrator, Shorewood Hills, WI**

Honorable Senator Zipperer, members of the Committee. Thank you very much for scheduling this public hearing and the opportunity to speak with you today. We know you have busy schedules so we will try and keep our comments brief. I have brought copies of my testimony as well as written testimony from Martin Rifken of the Rifken Group and Scott Frank, Alternative Continuum of Care, Oak Park Place of Shorewood Hills.

I would also like to introduce David Benforado, Village of Shorewood Hills Trustee, Finance Committee Chair and Plan Commission member and Wayne Crockus from Steve's Liquor.

The Village of Shorewood Hills is a fully built out urban community along the north side of University Avenue directly between Madison and Middleton including the University and Veterans Administration Hospitals on the east and the Pyare Square building to the west. Most passer by probably think they are in Madison, but they are not. We are a community with a resident population of 1,514 (over 10,000 daytime) in an urban area with a population of 482,705. Our commercial and employment districts on University Avenue (59,000 vehicles per day) serve regional and state wide markets.

The population based liquor license quota system limits the Village to four liquor licenses. They are all issued. The City of Madison on the other side of the street has 420 licenses under the quota system and 58 available. The Village and City serve the same regional market and entertain the same sorts of economic development and redevelopment opportunities. However, the Village is severely curtailed in its ability to market to restaurants and entertainment venues.

We are in the midst of redeveloping significant frontages on University Avenue into urban mixed use infill. We cannot grow outward. These uses include housing, offices and employment centers as well as retail and entertainment districts. This type of redevelopment encourages people to live, work, shop and enjoy leisure time without having to drive. Most importantly it also creates jobs and tax base. Without available liquor licenses, the Village is unable to accomplish these laudable goals, because often restaurants and places of entertainment require a liquor license.

Here are some examples of the problems we have recently encountered:

Last year the Village was faced with the unwelcome task of having to decide whether to issue one available license that had recently been surrendered between competing

projects. The first would allow a vacant Pizza Hut to be opened as a new restaurant. The second involved a \$20M redevelopment project including a restaurant/pub that required a license. It was literally one or the other. Redevelopment of an existing building that would otherwise continue to deteriorate in a section of the Village needing commercial redevelopment, or refuse it in order to redevelop another area with a project that would quadruple the tax base. Imagine sitting at a Village Board meeting with a local small business (Laredo's) ready to establish another restaurant, and wanting to enable the project and entrepreneur, but knowing issuance of the license will stop another \$20M redevelopment. Ultimately the Village issued the license to Laredo's, but only after some reassurance that special legislation could potentially be secured.

In fact, after testifying at a public hearing that would have created an exemption for full service restaurants; a lobbyist from the Tavern League encouraged the Village to follow the route we are on today (specific legislation) instead. We were surprised when the Tavern League registered opposed the last time around. Repeated calls to the Tavern League lobbyist to find out why were not returned. However I was able to find out that the stated reason was that we did not first contact the County League which we then immediately did.

This time around we have also made contact with the Local League, and although sympathetic, they said it is a State League issue. I am at a loss and will leave it at that.

The Village still has the possible \$20 M mixed redevelopment project before it. The project will redevelop a tired strip mall (ATT Plaza) into a vibrant LEED certified multiuse building. The project will only happen if we have liquor licenses to give. Written testimony has been provided by the developer.

The Village also has a pending project that will demolish the Pyare Square building valued at \$2.8M and replace it with a continuum of care facility valued at \$23M. That project will also create an estimated 125 jobs, a number of which will pay in the range of \$70,000 per year. A signature open to the public restaurant is part of this project, also needing a liquor license. Written testimony from that developer is also provided.

Steve's Liquor, a locally owned long term Wisconsin business venture wants to expand and have special events that involve distilled spirits and food. This again is jobs and tax base. Mr. Crockus will speak to his project in a minute.

The Village also almost lost the national corporate franchise headquarters of Fom Fass when we discovered they needed a license. They sell and provide tasting of oils, vinegars and distilled spirits. Luckily we were able to get Blackhawk Country Club to surrender their license and give them a new one under the exemption for restaurants that seat over 300 and then give Blackhawk's to Vom Fass. But there are no more tricks in my closet.

The legislature has granted these exemptions in the recent past due to these sorts of problems. For example Monona received one, Middleton two and St Francis three. I ask

for three only to avoid coming back year after year and taking up your valuable time. As you can see with the projects currently pending, multiple licenses are needed.

The liquor quota requirement is ostensibly in place for a couple of reasons. First, to limit competition. It may well accomplish that goal in some areas of the State, but it does not have its intended effect here, as one only has to move across the street into another municipality that has 58 licenses to give. The other major goal is to provide equity and value in licenses for current license holders. In other words, someone can purchase an existing business with a license for an agreed upon price, that may be higher if the license goes with it. Again this does not make sense in the Village. We are not talking about Ma and Pa bars. The liquor licenses we need will allow us to redevelop specific properties in the Village. They are multi million dollar projects. These redevelopments are not located on property where current licensees are located. The projects are already on tight budgets and can not afford to buy out a business for a license, when the property being redeveloped is in an entirely different location.

Thank you for your time and consideration. The Village would appreciate your support of this bill in the name of equity, jobs and tax base creation.

January 25, 2012

Senator Rich Zipperer, Chairman  
**Judiciary, Utilities, Commerce and Governmental Operations Committee**  
**Wisconsin State Senate**

Re: Oak Park Place of Shorewood Hills, LLC – Liquor License

Dear Chairman Zipperer,

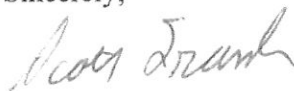
I live in the Madison area and develop and operate continuum of care projects targeting the senior market. Oak Park Place on Madison's far east side is one of my projects.

I am currently developing an independent living/assisted living/memory care project in Shorewood Hills, Wisconsin on the site of the "Pyare Square" building on University Avenue west of Midvale Boulevard. While the project is almost exclusively housing, we plan to have a signature restaurant at street level as an amenity for our residents. We don't envision a bar with food but rather a restaurant which offers alcoholic beverages. Potential tenant discussions indicate that a liquor license is essential for the sort of restaurant tenant we need.

The Village of Shorewood Hills has informed me that it has no available liquor licenses but is seeking approval for additional licensing authority from your committee to accommodate our request and, perhaps, other requests as the Village's commercial land is developed.

I would like to go on record as supporting the Village's request for additional liquor licensing authority.

Sincerely,



Scott Frank  
Oak Park Place of Shorewood Hills, LLC

# Judiciary, Utilities, Commerce and Government Operations Committee, Wisconsin State Senate

Attention: Senator Rich Zipperer, Chairman

Dear Sir,

I am a resident of the City of Madison and Commercial Developer in the process of developing a corner parcel of land at University and Shorewood Boulevard in the Village of Shorewood Hills, WI. We are in the preleasing stage and have several major restaurant tenants interested in opening a restaurant on the ground floor of our proposed four story building. A restaurant with a bar/liquor license is identified as a key component of the Tenant mix for the project and identified as a desirable tenant from the public hearings we attended. The space requirements are between 3,000 and 4,500 square feet and will involve both food and liquor sales. The bar and liquor license is required to successfully operate a facility in this market. If the restaurant opens in this location, I am informed that they will hire a full staff of employees including a restaurant manager, chef, and bartender and wait staff.

I am informed by Karl Franz, the Administrator for the Village, that there are no additional licenses available from the Village and Karl is in the process of requesting that your committee grant approval for another license in order for the Village to allow us to open this restaurant.

Therefore, I respectfully request that such approval be granted.

Respectfully,



Martin Rifken,  
President of The Rifken Group, Ltd.












**Dane County**  
Wisconsin

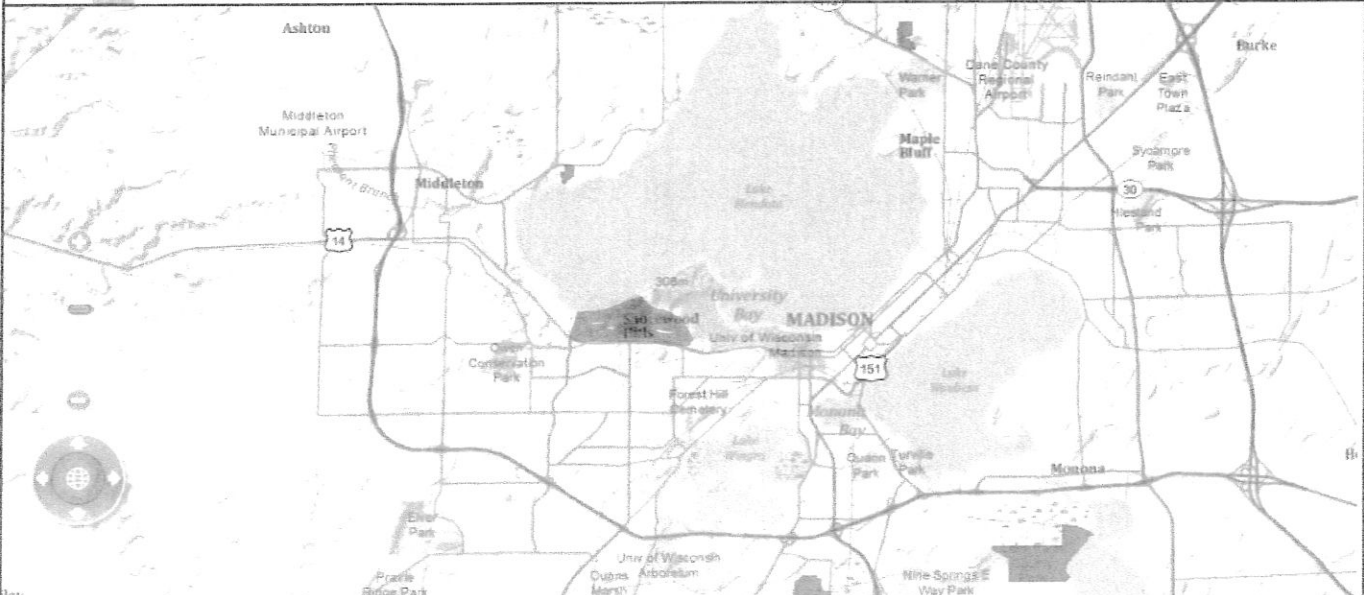


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TO: Members, Senate Committee on Judiciary, Utilities, Commerce, and Government  
Operations  
FROM: Maureen Busalacchi, Health First Wisconsin  
RE: Senate Bill 324  
DATE: January 25, 2012

We ask this committee to not support SB 324 allowing additional licenses that would exceed the license quota for a village in Dane County. This decision should not be about this specific village, but the fact that no community should be granted additional licenses that exceed its quota. As facilitator of the Dane County Coalition to Reduce Alcohol Abuse, we are also concerned with the fact that this impacts us locally. We know that increased availability of alcohol leads to increased alcohol consumption. For a State that the Centers for Disease Control just again rated the number one binge drinking state in the country, with an average of five episodes a month and nine drinks per episode and is well known for its problems associated with alcohol, this seems like one of the last things this committee should be considering. This would be like throwing gas on the fire that is burning down the building. Again, we ask this committee to not support SB 324.